

Message Text

UNCLASSIFIED

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ACTION XMB-07

INFO OCT-01 ARA-11 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 RSR-01 DOTE-00 FAA-00 MC-02 PM-09

DODE-00 /097 W

----- 040621

R 261815 Z APR 73

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 4109

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

UNCLAS SAO PAULO 0908

FOR EXIMBANK

E. O. 11652: N/ A

TAGS: EFIN, BR

SUBJECT: VASP TO PURCHASE AIRCRAFT FROM FAIRCHILD INDUSTRIES'
SUBSIDIARY

1. AN OFFICER OF SWEARINGEN AVIATION CORPORATION, INTERNATIONAL AIRPORT, SAN ANTONIO, TEXAS, A SUBSIDIARY OF FAIRCHILD INDUSTRIES, IS CURRENTLY IN SAO PAULO FINALIZING THE SALE OF METRO AIRCRAFT SA-226 TC TO VIACAO AEREA SAO PAULO- VASP AND HAS ASKED US TO NOTIFY EXIMBANK OF THE TRANSACTION.

2. VASP PRESIDENT LUIS RODOVIL ROSSI HAS CONFIRMED THAT SALES CONTRACT IS TO BE SIGNED APRIL 26 AND THAT VASP WILL SEEK EXIM FINANCING AND GUARANTEES FOR 90 PERCENT OF THE VALUE OF THE AIRCRAFT. VASP AIRMAILING TODAY REQUEST FOR EXIM PRE-LIMINARY COMMITMENT AND ROSSI PLANNING TO TRAVEL TO WASHINGTON WITHIN TWO WEEKS DISCUSS OPERATION WITH EXIM OFFICERS.

3. THE CONTRACT CALLS FOR THE SALE AND DELIVERY STARTING OCTOBER 1973 OF SIX PRESSURIZED TURBO- PROP SA-226 TC AIRCRAFT
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WITH ACCOMODATIONS FOR TWENTY PASSENGERS AT A UNIT PRICE OF \$729,158. TOTAL VALUE OF THE BASIC CONTRACT WILL BE \$4,374,948 PLUS BETWEEN 20 TO 30 PERCENT EXTRA FOR SPARE PARTS. VASP WILL HAVE AN OPTION TO PURCHASE FIVE ADDITIONAL AIRCRAFT AT QUOTE PRICES CLOSE TO CURRENT PRICES UNQUOTE.

4. THE SA-226 TC IS CRAFT SIMILAR TO THE BRAZILIAN BANDEIRFICIAL WILLING TO MEET EMBOFF DURING APRIL PRIOR THIS DATE. MHE REPS PRESENT ALL APPEARED EMBARRASSED AT THIS STATEMENT, BUT AGREED THAT MAY DATE FOR EXCHANGE OF ACCEPTANCES WOULD PROBABLY HAVE TO BE MOVED BACK. FYI. EMBASSY WISHES STRESS THAT, WHILE MOST TELECONS THIS PERIOD FOCUSED PRIMARILY ON LACK OF MHE COOPERATION IN LECTURER EXCHANGE (REFTEL B) AT NO TIME WAS LINK BETWEEN THE TWO EXCHANGES ESTABLISHED BY STATEMENT OR IMPLICATION. POINT WAS SPECIFICALLY MADE SEVERAL TIMES THAT, MHE DIFFICULTIES WITH LECTURER EXCHANGE NOTWITHSTANDING, EMBOFF WOULD LIKE TO DELIVER DATA SHEETS FOR GSES AND SR. SCHOLARS. EMBASSY REGRETS OBVIOUS INCONVENIENCE THIS WILL CAUSE DEPT AND IREX, BUT OUR JUDGEMENT IS THAT NO ALTERNATIVE WAS AVAILABLE IN LIGHT MHE REFUSAL MEET EMBOFF. IT IS EMBASSY OPINION MHE AGAIN UNDERGOING PAINFUL PERIOD READJUSTMENT AFTER MOST RECENT OF CHRONICALLY RECURRING PERSONNEL SHIFTS (MAGNITUDE OF WHICH NOT YET CLEAR) AND THAT FAILURE MEET EMBOFF RESULT OF BUREAUCRATIC BULBLING RATHER THAN REFLECTION OFFICIAL POLICY. END FYI.
DECLASSIFY ON RECEIPT.
DUBS

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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